

Power allocation policy review completed

Western recently completed an inquiry into the impacts of electric utility restructuring on our power allocation policies. The review was sparked by a request from then Deputy Energy Secretary Betsy Moler to examine our current marketing strategies in light of the changes taking place in the electric utility market place.

"To do this, we conducted a public process this winter in which we sought comments on six overarching questions," explained Project Manager **Bob Fullerton**. "We also held a follow-on comment period to address the size of project-specific resource pools."

In light of utility industry changes, Western's power allocation policies have been altered in a responsible and proactive manner. More flexibility has been added to Western's power sales contracts. "We've made significant changes to our marketing policies that emphasize customer choice and diminish Western's future need for appropriations to purchase power," Fullerton noted.

Western's contracts will accommodate, rather than impede, environmentally beneficial changes in operations at large Federal dams in the West. Native American tribes—even those not owning utilities—will receive the benefit of Federal hydropower, through bill crediting and other innovative practices. Contractual provisions will continue to prohibit inappropriate resale of Western's power and assure that consumers receive the benefits of cost-based Federal hydroelectricity.

Although no additional changes to Western's power marketing policies will be adopted at this time, Western will likely evaluate the impact of electric utility industry restructuring periodically to assure our policies continue to be responsive to public needs.

Western's responses to comments received in this public process were published in the *Federal Register* on June 25 and can be found on Western's external Web site.